

<p>OFFICIAL USE ONLY</p> <p>FOREIGN SERVICE DESPATCH</p>		<p>4121320</p>
FROM	American Embassy WARSAW	
TO	THE DEPARTMENT OF STATE, WASHINGTON	
REF	<p>Embtel 1639, May 18, 1957</p> <p>Deptel 900; Memo of May 6, 1957 by Mr. McCabon, Voluntary Foreign Aid Staff, ICAL Embassy, 29, May 20, 1957</p>	
<p>Subject: Possible Reopening of CARE Office in Poland</p>		
<p>On May 10 Mr. REUTER, Executive Director of CARE, whose office is at 660 First Avenue, New York 16, New York (Murray Hill 6-3115), accompanied by Mr. Edward GREAVES, arrived in Warsaw. Mr. Greaves is now the Chief of the CARE Mission in Bad Kodesberg, Germany (Moltkestrasse 24, tel. 3021).</p> <p>On the following day, May 11, the two CARE representatives called at the Embassy and explained the purpose of their trip, i.e., to investigate the possibility of reestablishment of a CARE operation in Poland. Mr. Reuter said that members of the Polish Economic Delegation now in Washington and the Polish Ambassador in Washington, Mr. SPASOWSKI, had shown great and favorable interest and had urged him to proceed to Poland urgently. Now that he was here he wished to confer with the Undersecretary of Foreign Affairs, Mr. WINIOWSKI, who, according to Ambassador Spasowski, would be liaison officer for Mr. Reuter's visit in establishing contacts with other interested Polish agencies.</p> <p>Arrangements were made by the Embassy for Messrs. Reuter and Greaves to see Mr. JELKE, the Chief of the North and South American Section of the Foreign Office, on Saturday, May 11, at 1:00 p.m. as an appointment with Mr. Winiewicz could not be arranged for that day. This interview was held as well as subsequent conferences, which were arranged with Director General WOLINSKI of the Ministry of Foreign Trade and with Undersecretary KOCHANOWSKI of the Ministry of Labor and Social Welfare. On Tuesday, May 14, at a luncheon for the visitors by the reporting officer, a representative of the Ministry of Foreign Affairs and Dr. KRZESKA of the Ministry of Public Health were present and arranged for further appointments and conferences. On succeeding days meetings were held at which the same and other members of the Ministry of Health and Ministry of Labor and Social Welfare, and the President of a Polish philanthropic cooperative (Spolem) were present. The visitors had a short talk with Undersecretary Winiewicz on May 17.</p> <p>During the course of these conversations a draft of an agreement between the Government of Poland and CARE (Cooperative for American Assistance to Everywhere, Inc.) was given to Undersecretary Kochanowski.</p>		
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An English translation to this draft agreement is attached herewith as enclosure No. 1. During the last conference on May 17 with Mr. Kochanowicz the latter handed Mr. Reuter a letter containing observations of the Ministry "which would assist in preparing an agreement satisfactory to all concerned." A copy of the English translation of the May 17 letter is attached as enclosure No. 2.

Mr. Reuter stated that the May 17 letter, while by no means completely satisfactory, was really better than what he had expected. In a conversation held with Ambassador JACOBS on the afternoon of May 17, Mr. Reuter observed that the May 17 letter omitted any mention of the exchange rate which would be applicable to local office expenses of CARE. Similarly, there was no mention in the letter of problems of transportation, insurance, warehousing and delivery. Mr. Reuter was happy to note that the letter raised no objection to the proposal that two American citizens would proceed to Poland to be responsible for the CARE operations once final agreement was reached. Mr. Reuter added that he had received oral assurances from Mr. Woynski of the Ministry of Foreign Trade that there would be no customs duty levied on CARE shipments.

The matter of "designated packages," i.e., parcels purchased by residents of the U.S. for direct delivery to the individual addressee in Poland, had not been resolved. Mr. Reuter said that it was a policy of CARE to include the "designated package" operation in any country that it entered. He was aware, he said, of the fact that such an operation in Poland might well run into the objection of the PKO organization, a Government agency which receives considerable dollar exchange in its handling of gift parcels to Poland from foreign countries, especially from the United States. In this connection it should be observed that the May 17 letter of Undersecretary Kochanowicz contained in the fifth numbered paragraph an indication of difficulties concerning individual parcels. Mr. Reuter stated that the members of the Polish Trade Delegation in Washington, and apparently also Ambassador Spagowski, had, in Washington, given their approval orally to him of the "designated package" operation. It would appear, therefore, that the willingness of the Polish officials in Washington was not shared by those in Warsaw.

In reply to the Embassy's inquiry as to the further steps which he anticipated in this matter, Mr. Reuter enumerated them as follows:

1. He was authorized by Undersecretary Kochanowicz to inform the press that agreement in principle had been reached for CARE operations in Poland.
2. Mr. Reuter expected to report on his visit to the CARE Board of Directors and Advisory Council on May 24.

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3. Mr. Reuter expected to re-write the draft of agreement in light of the considerations advanced in the May 17 letter.
4. The revised draft of agreement would then be submitted by mail to the Polish Government in the expectation that perhaps three weeks would transpire before the final text of agreement would be worked out.
5. Perhaps a further exchange of correspondence would be necessary to modify parts of the draft agreement.
6. Mr. Greaves would be authorized to return to Warsaw from his office in Germany, if necessary, to conduct further negotiations or to sign the agreement. In reply to a question regarding the Undersecretary of Foreign Affairs' attitude, Mr. Reuter said that his conversation with Mr. Winiarski was mostly in the nature of a courtesy call, that Mr. Winiarski demonstrated a friendly attitude but said that he was not prepared to discuss any of the details of the proposed arrangements.
7. Depending on successful negotiations, Mr. Reuter thought that the two Americans to be in charge of the CARE work would arrive in Warsaw by July 1.

COMMENT:

Although the Embassy has no way of determining the action that will be taken by the Board of Directors of CARE, it received the impression from Mr. Reuter that the Directors' approval of the Polish operations would be forthcoming. Whether CARE will be successful in soliciting contributions from the U.S. public for Polish operations, without the right to deliver parcels to designated individuals, remains a question. It would appear that on this point considerable difficulty can be anticipated before the Polish Government commits itself. Whether this will prove a ping pong game by the CARE authorities in New York is, of course, not known by the Embassy. Regarding publicity, it is noted that Mrs. CLAPPER, Washington representative for CARE, in a conversation with Mr. McCahan, emphasized the Polish Embassy's request that no publicity be issued until a formal understanding had been reached. Mr. Reuter informed the Embassy that the appearance in the Polish press on May 12 of accounts of his arrival in Poland to discuss CARE activities were undoubtedly based upon information furnished to the Polish Press Agency by

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Mr. Jelen of the Polish Foreign Office.

In summary, it will not escape the Department's attention that the Polish Government is trying to skim off the cream of the GANE offer. Without changing their position as a result of the Washington negotiations regarding individual gift parcels (disliked by the regime because of cutting into PXO profits, because it shows Poles and foreigners alike that charity is needed, and because it establishes a direct channel to recipient making diversion difficult), the Poles ready their request for raw materials, tools, and equipment, to be turned over to the Government-controlled cooperatives.

For the Ambassador:

William F. Barber
William F. Barber
Counselor of Embassy

Enclosures:

1. English translation of draft agreement
2. English translation of May 17 letter

Office of the Ambassador
Washington, D.C.
Enclosure
Jelen

Approved:

J. Jelen
J. Jelen
Ambassador

but may have further comment.

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parcels, etc.

4. It seems that one of the important tasks of the Ministry of Labor and Social Welfare would consist in a detailed description of the "legally existing organizations in Poland", in accordance with GMR terminology, which would be taken into account more particularly in securing the best possible benefit in utilizing gifts sent in by GMR.

The Ministry of Labor and Social Welfare will also consider the best ways of coordinating the whole activity with the participation of social organizations concerned.

5. The question concerning individual parcels sent from the U.S.A. to Poland, which was raised by you requires detailed consideration with other Polish governmental agencies. But already now I would like to indicate, that I see great difficulties in the implementation of this scheme.

Finally may I be permitted to express my conviction that further exchanges of views between us will undoubtedly pave the way to an ultimate agreement on the points of view in a matter which is of interest to both parties.

I remain, Sir,

Yours sincerely

Undersecretary of State

T. LOCHANOWICZ

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AGREEMENT BETWEEN THE GOVERNMENT OF POLAND

and

COOPERATIVE FOR AMERICAN REMITTANCES TO EVERYWHERE, INC.

Whereas, Cooperative for American Remittances to Everywhere, Inc. (hereinafter sometimes referred to as CARE) has been organized to enable individuals and organizations in the United States and elsewhere to assist individuals and organizations abroad with gifts of goods and services for purposes of relief, rehabilitation, and reconstruction; and

Whereas, the Government of Poland (hereinafter sometimes referred to as the Government) welcomes the assistance which it is proposed to extend through CARE to individuals and organizations in Poland;

The Government, represented by _____, and CARE, represented by _____, have agreed as follows:

1. The primary purpose of this agreement is to facilitate and maximize voluntary gifts of food, clothing, books, technical equipment and supplies, and other urgently needed articles by individuals and organizations in the United States and elsewhere outside Poland to individuals and lawfully existing organizations in Poland designated by or on behalf of the donors. The articles specifically covered by this agreement are set forth in Exhibit A attached hereto. This agreement may be extended, by written mutual consent of the parties, to other articles from time to time.

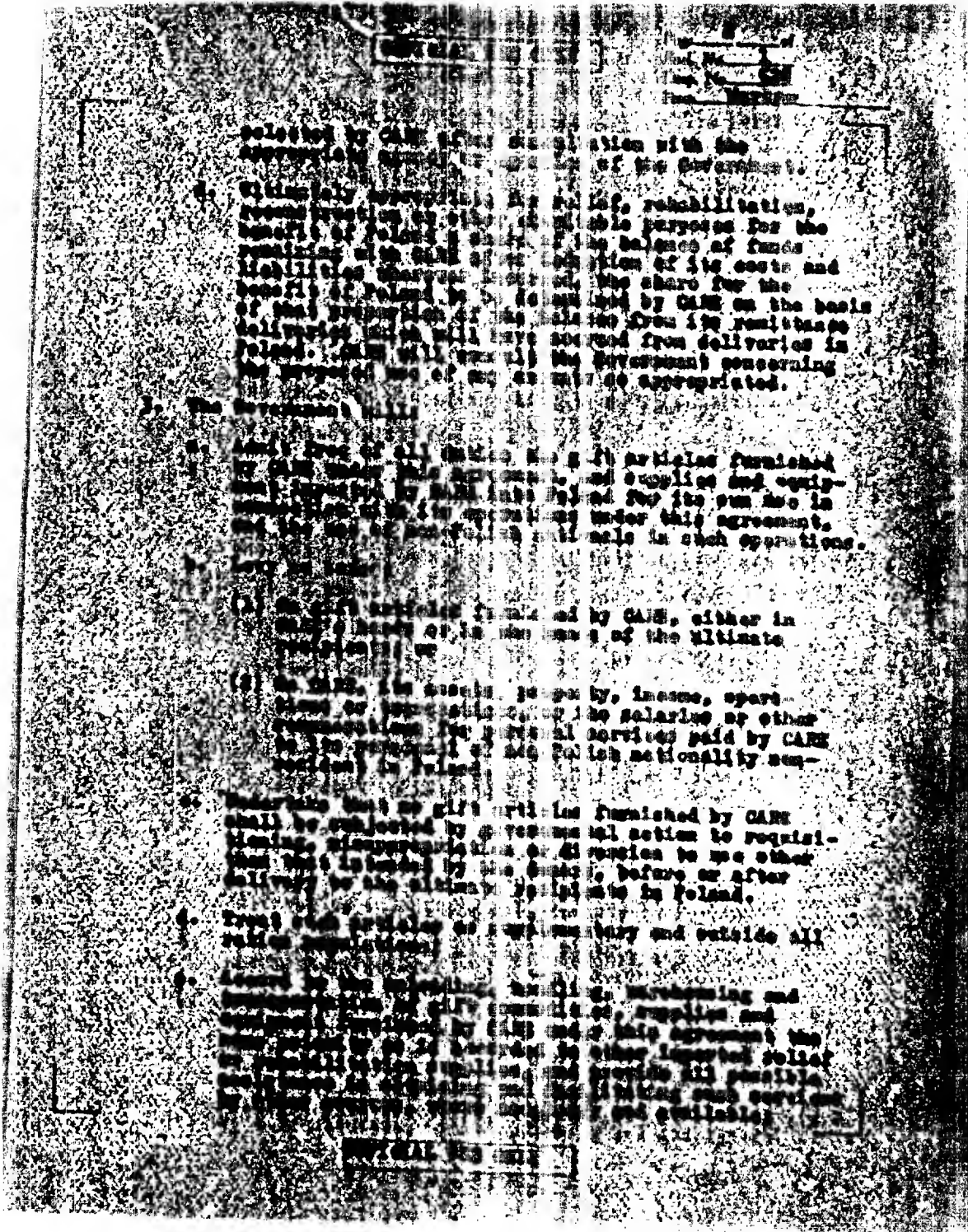
2. CARE will:

- a. Solicit, in the United States and elsewhere outside Poland, and in return for the issuance of remittances, contributions to finance the purchase and delivery of articles of the kinds covered by this agreement to individuals and lawfully existing organizations in Poland.
- b. Deliver such articles to the individuals and organizations in Poland designated by the donors.
- c. Or if the donors do not designate specific individuals or organizations to receive such articles, deliver such articles to individuals or organizations to be

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- f. Provide, wherever possible and without charge, effective protection against theft, including police protection, for all gift commodities, and for the supplies and equipment furnished under this agreement and authorize and assist CARE to provide such protection wherever it cannot be provided by the Government;
- g. Authorize CARE to label the gift commodities furnished by it in such way as it may wish in order to indicate their source and method of use, and assure that such labels will not be removed or defaced;
- h. Provide that CARE may obtain in exchange for United States currency such Polish currency as it may need at a rate as favorable as that accorded to representatives of Government or public organizations;
- i. Facilitate the operations of CARE under this agreement in every way possible, including the issuance of appropriate credentials to personnel engaged in such operations, assistance in providing accommodation and travel services, and provision of priorities and facilities for communication, both internally and with offices of CARE outside Poland;
- j. Permit CARE to effect, free of all export restrictions and duties, the export from Poland of any gift commodity, supplies or equipment furnished by it from abroad, and to which it has retained title;
- k. Admit to Poland such number of American liaison officers as CARE may deem necessary for its operations under this agreement.
4. Where the donors so authorize, CARE will be free to specify the particular recipients to whom gift articles are to be delivered. A remittance drawn in blank, or in favor of general relief, or in favor of a group, will be regarded as authorizing CARE to specify the particular recipients. CARE will welcome the recommendations of the Government as to the recipients to be specified by CARE in such cases.
5. Either party may terminate this agreement upon 120 days' written notice to the other.
6. This agreement shall be effective on _____

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1957. New York
of Columbia, U.S.A.
For the Government
of Poland

Day of _____ 1957. in the District
For Cooperative For American
Emigrants in Everywhere, Inc.

EXHIBIT A
Articles covered by this agreement as originally concluded.

[unclear]

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CONFIDENTIAL

Ref No. 2
 Date 1957
 File No. 220
 Page 10000

May 17th, 1957

Dear Sir,

I would like to confirm our interest in the proposals submitted by Cooperative for American Remittances to Everywhere, Inc.

With reference to the conference held in the Ministry of Labor and Social Welfare on 15th and 16th of May, 1957, I would like to submit to you the following observations which in my opinion should contribute to a better mutual understanding and at the same time assist in advancing the talks we have had hitherto and thus preparing an agreement satisfactory to all concerned:

1. As it arises from our previous talks, it is essential for us to lay stress not so much on facilitating and maximizing voluntary gifts of food, clothing and other articles - as it is done in the draft agreement presented by CAER - but rather on "technical equipment and supplies and other urgently needed articles". That would mean that in our conditions we are particularly interested, first of all, in different kinds of tools, small modern workshops, for instance looms, electric sewing machines, surgical instruments, some kinds of medicines, semi-products in the field of manufacturing artificial limbs, prosthetics, tools and equipment for the production of prosthetics. The delivery of some raw materials for certain types of articles cooperatives would be of a considerable importance in many cases.

It is with pleasure that I take note that CAER, in accordance with its principles proclaims the view, that the deliveries of raw materials should be taken care of locally, yet this principle admits exception. Therefore further talks could be devoted to a discussion as to what type of raw materials or semi-products may be covered. It presents a provisional list of our needs indicates our interest in the field of about 25 types of raw materials for about 50 to 60 of our cooperatives.

2. As far as food is concerned we are interested in juices, fresh staff and powdered milk for children in various childrens homes.

I understand that in the present state of our discussions, one of the urgent tasks of the Ministry of Labor and Social Welfare would be to work out a detailed list of our requirements.

3. I accept with pleasure your explanation that, according to its cooperative character, CAER prefers to get either through the intermediary of cooperative associations than to reach individual persons, the social assistance granted to them should be a source of

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